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FM AMEMBASSY TBILISI
TO RUEHC/SECSTATE WASHDC 2098
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

UNCLAS TBILISI 001599

DEPT FOR EUR/CARC, EEB

SENSITIVE
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E.O. 12958: N/A

TAGS: [EINV](#) [EFIN](#) [GG](#)

SUBJECT: OPIC FINANCING FOR JSC BASISBANK PROJECT

REF: STATE 80984

[¶1](#). Summary: Per reftel, Post's inquiries did reveal any derogatory information about JSC BasisBank that would inhibit OPIC financing to the project. End Summary.

[¶2](#). JSC BasisBank has a strong, credible reputation among Georgian banks. Former Prime Minister of Georgia Lado Gurgenedze, while serving as head of Georgia's leading bank - Bank of Georgia commented to Embassy officials that out of Georgia's existing banks he would love to acquire BasisBank as it was "clean, neat and well-managed."

[¶3](#). Post uncovered no information to question the financial stability of BasisBank. Recently BasisBank along with two other Georgian banks (VTB and Peoples Bank) won a government tender to issue cheap, government supported credits for SME development.

[¶4](#). Post uncovered no information that Basisbank has any link to corruption, money laundering or terrorism. The majority of the private shareholders in the bank are friends connected to each-other through graduate study at Moscow State University. Additionally, Post is unaware of any government connections.

[¶5](#). BasisBank has been very careful in its credit policy, avoiding risky lending especially in the construction and residential mortgage sectors. The bank does not accept residential houses or apartments under construction as collateral, and its existing residential mortgage portfolio is considered stable.

TEFFT